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C O N F I D E N T I A L SEOUL 001420

SIPDIS

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TAGS: PGOV KS
SUBJECT: CABINET RESHUFFLE SIGNALS SHIFT TO CENTER;
INTRODUCES NEW POLITICAL PLAYER

Classified By: POL M/C James L. Wayman. Reasons 1.4 (b), (d).

¶1. (U) Summary: The Blue House announced a cabinet reshuffle on September 3, replacing six ministers, including the Prime Minister and Minister of National Defense, and creating a new position of Minister for Special Affairs. The first major cabinet reshuffle since President Lee Myung-bak took office in February 2008 appears to be an attempt by the President to reorient his administration to the political center and demonstrate his openness to political and regional diversity.

The biggest surprise was the nomination of Chung Un-chan for Prime Minister. Chung, a former president of Seoul National University, is new to politics, but he considered running in the 2007 presidential election as a left-of-center candidate and has publicly criticized Lee Administration economic policies. Barring unforeseen scandals, the National Assembly is expected to confirm the nominees. End Summary.

¶2. (C) Comment: This move by President Lee should be received favorably by the public and increase his approval ratings, which are already trending higher. In selecting the new members of his cabinet, President Lee is clearly trying to address his critics' complaints that previous appointees have been too closely aligned with the narrow demographic of wealthy conservatives from southeastern Korea -- an effort most notable in his decision to appoint politically liberal economist Chung Un-chan as prime minister. In the selection of pro-Park Geun-hye lawmaker Choi Kyung-hwan as Minister of Knowledge and Economy, Lee is likely trying to reach out to supporters of his political rival within the general public. Pro-Park lawmakers, however, are irritated at Chung's appointment as Prime Minister and anticipate that he will be a powerful centrist counterpoint to Park Geun-hye's rightist stance. This will likely erode Park's party power and allows President Lee to compromise between the two extreme positions. Finally, the selection of the strongly pro-American Kim Tae-young as Defense Minister bodes well for bilateral defense cooperation, although his hawkish reputation may make him the most controversial nominee. End Comment.

New Line-up

¶3. (C) The Blue House announced a long-anticipated cabinet reshuffle on September 3. Changes and new personalities:

-- Prime Minister: Chung Un-chan. Chung, an economics professor and native of Chungcheong Province (near Daejon), was president of Seoul National University from 2002-2006. He is new to politics but speculated about running in the 2007 presidential election as a left-of-center candidate. He has been publicly critical of President Lee Myung-bak's economic policies.

-- Minister of National Defense: General Kim Tae-young. Kim is currently serving as the ROK Chairman of the Joint Chiefs of Staff.

-- Minister of Justice: Lee Gui-nam. Lee is a former career prosecutor and served as Deputy Minister of Justice from January to July 2009. He is a native of South Jeolla Province.

-- Minister of Knowledge and Economy: Choi Kyung-hwan. Choi is a second-term, pro-Park, GNP lawmaker from North Gyeongsan Province and currently serves on the Strategy and Finance Committee.

-- Minister of Labor: Yim Tae-hee. Yim is a third-term, pro-Lee, GNP lawmaker from Gyeonggi Province and currently serves on the National Defense Committee.

-- Minister of Gender Equality: Baek Hee-young. Baek is a renowned professor of nutrition at Seoul National University.

-- Minister for Special (or Extraordinary) Affairs: Joo Ho-young. Joo is a second-term GNP lawmaker from North Gyeongsang Province who has been both pro-Park and pro-Lee. He is currently serving on the Culture and Broadcasting Committee.

¶4. (C) Nominating Chung Un-chan for Prime Minister was a bold move and introduces a new and potentially formidable player to the political scene. If he and Lee Myung-bak manage to work well together, Chung could provide a powerful centrist counterpoint to rightest forces in the GNP led by Park Geun-hye. By setting Chung up as Park's foil, Lee can

negotiate between the two. Park's people are irritated by the move, but feel they cannot complain; Park earlier this year refused to allow her ally, Kim Moo-sung, to take on a party leadership role and a pro-Park lawmaker -- Choi Kyung-hwan -- was appointed in this cabinet shuffle. While it might look to the public as though Lee is trying to reach out to both liberal and conservative political opponents, Park supporters see Chung's appointment as a direct challenge to Park Geun-hye. If true, the President has won on two fronts -- he has met public demands by forming a more diversified cabinet and potentially limited the power of his key opponent within the party.

¶5. (C) The opposition parties are most likely to criticize General Kim Tae-young's nomination as Defense Minister. Media reports have cast him as a hawk, which may presage Democratic Party attacks during his hearings. Kim was saddled with this label last year after he told Parliament that he would order an attack on North Korea if it deployed tactical nuclear weapons. Kim is well known to the Embassy and USFK and tends to be center-right in his policy leanings.

He assumed his position in March 2008. General Kim supports OPCON transfer and believes the ROK military should assume responsibility for national defense. Kim was instrumental in streamlining the "Defense Reform 2020" plan published in June 2009 and designed to modernize all branches of the ROK military. He has extensive experience dealing with national security planning and foreign affairs. From 2004-05 Kim commanded the Capital Defense Command while President Lee Myung-bak was mayor of Seoul. The two are rumored to have developed a close relationship at that time. A Seoul native, Kim attended Kyong-gi high school and graduated from the Korean Military Academy in 1973.

¶6. (SBU) Of the six new appointees, three are sitting lawmakers. Korea's unique hybrid of presidential and parliamentary democracy enables directly-elected lawmakers to assume cabinet posts while retaining their positions in the National Assembly. Those lawmakers who were elected through the proportional ticket have to resign their seats. None of Lee's three parliamentarian cabinet picks are proportional representatives.

¶7. (SBU) In this reshuffle, the Blue House added a new

Cabinet position to the existing line-up. The Minister for Special (or Extraordinary) Affairs position, filled by Joo Ho-young, disappeared from the cabinet in 1998 when the Kim Dae-jung administration downsized the cabinet structure. In the past, this individual often focused on political affairs, which is what Joo is expected to do. In comments to the press, Joo said that he also hoped to improve communication between the National Assembly and the Blue House, potentially addressing a common complaint among GNP lawmakers.

Confirmation Process

¶8. (SBU) The administration will now send the nominations to the National Assembly for approval. According to Korean law, the National Assembly must establish a special committee consisting of 13 members and complete confirmation hearings within 20 days. The committee chair then delivers his recommendation to the National Assembly speaker who gives it to the president. The President, however, is not legally obligated to accept the committee's recommendation. The nomination for Prime Minister is handled differently. This nominee has to be approved by a majority in the National Assembly.

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